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October 31, 2007

FILED ELECTRONICALLY

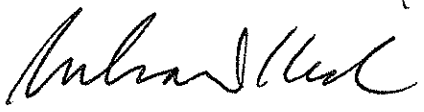
The Honorable Mary Pat Thynge
United States District Court for the District of Delaware
844 North King Street, Lock Box 8
Wilmington, DE 19801

RE: *Sepracor Inc. v. Dey, L.P. and Dey, Inc.*,
C.A. Nos. 06-113-*** & 06-604-*** (Consolidated Cases)

Dear Magistrate Judge Thynge:

Following up on our telephone conference today, I am sending you the transcript of a September 12, 2007 status conference in the Massachusetts litigation (*Sepracor Inc. v. Breath, Ltd.*, D. Mass., C.A. No. 006-10043-DPW) and the minute order entered by Judge Woodlock thereafter. The relevant discussion in the transcript starts at page 24 line 20.

Respectfully submitted,



Richard D. Kirk (rk0922)

cc: Original to Court, by hand
All counsel of record as shown on attached service list

CERTIFICATE OF SERVICE

The undersigned counsel certifies that, on October 31, 2007, he electronically filed the foregoing document with the Clerk of the Court using CM/ECF, which will send automatic notification of the filing to the following:

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The undersigned counsel further certifies that, on October 31, 2007, copies of the foregoing document were sent by email and hand to the above local counsel and by email and federal express to the following non-registered participant:

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/s/ Richard D. Kirk (rk0922)
Richard D. Kirk

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

SEPRACOR INC., Plaintiff,	)	
v.	)	CA No. 06-10043-DPW
BREATH LIMITED, Defendant.	)	

BEFORE: The Hon. Douglas P. Woodlock, District Judge

STATUS CONFERENCE

John J. Moakley United States Courthouse
Courtroom No. 1
One Courthouse Way
Boston, Massachusetts 02210
Wednesday, September 12, 2007
3:30 p.m.

Marcia G. Patrisso, RPR, CRR
Official Court Reporter
John J. Moakley U.S. Courthouse
One Courthouse Way, Room 3507
Boston, Massachusetts 02210
(617) 737-8728

Mechanical Steno - Computer-Aided Transcript

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On Behalf of the Defendant

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THE CLERK: All rise. This Honorable Court is now in session.

You may be seated.

Calling the case 06-10043, Sepracor Inc., versus Breath Limited.

THE COURT: Let me make a brief preliminary set of observations concerning the rhetoric and the briefing here. I'm generally a believer of the proposition that every dog gets one free bite. You've all had yours. I find the briefing to be beneath contempt. Perhaps it is that your clients like to read this sort of thing. And if they do, send it to them. Don't send it to me.

This sniping and whining has no place here. If you can't conduct yourselves like adults, then try harder, because I don't want to see this. Frankly, this process of having to read this material has been about as disheartening as anything I've encountered for some time. So we're past that now, because I'm not going to see it again, I'm certain, because if I do, then the dog's free bite may be turned around. So I hope we understand each other here.

Now, let's turn to this question of the discovery schedule and general schedule. I share the view of the parties that I'm going to hold this to the Markman hearing in February. I, frankly, perhaps it's a

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limitation of my own, couldn't really follow what was going on except the holiday season or shutdown between Christmas and New Year's, and I'm not sure I know what the alternative schedule and discovery deadline that -- with precision, know what that will be for Sepracor. So let me hear it from Sepracor's point of view.

MR. DAVIS: Yes, your Honor. My name is William Davis, on behalf of Sepracor.

We do not have an objection to the extension of

the discovery schedule. Our one concern is the Markman hearing as of February 21st. If you look at the prior schedule, there was a 30-day period of time between the close of responsive briefs in the Markman briefing and the actual occurrence of the Markman hearing, and we would like to keep that space in for a number of reasons. Number one, we don't know how your Honor handles a Markman proceeding, whether or not witnesses will be called or even necessary.

At this point we don't know because we haven't seen positions of Breath, but in the event that were to be necessary, we would request at least 30 days so we could prepare witnesses. The Court may want a tutorial with regard to the science issues in this case.

THE COURT: That schedule doesn't bother me. I'm the one who should be concerned about it because I'm

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the one who's going to have to learn about this. Presumably you won't be filing briefs without having talked to your witnesses ahead of time. Presumably you've been preparing them all along. So the shortening of the time period to February 4th isn't so bothersome to me. I don't generally like it squeezed in that way, but.

So if we use February 4th as the responsive briefs here, what's the problem?

MR. DAVIS: The only problem I've articulated, your Honor, and that is we're just a little concerned about a 14-day period rather than a 30-day period prior to the hearing in anticipation --

THE COURT: It would be astonishing to me if both parties can't figure out what the respective positions are going to be and are able to think them through. In terms of the choreography of the Markman hearing, I'm here to be educated. I'm likely to be deferential, within limits, as to how the parties want to present things to me. And so I'm going to be looking to both sides to tell me what they want to do, and more accurately, perhaps agree upon some mechanism of presenting the case to me.

I've carved out two days, and I assume that that's probably the right -- based on what little I know

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here, probably the right way to deal with this. And the full day -- two full days. So beyond that, I don't have a real view about it. I try to prepare myself for them and I try -- Markman hearings -- and I try to be interactive, I guess, if I can, because that's one of the better ways I know to learn. But beyond that, I just don't know.

I mean, do you have some views about it?

MR. DAVIS: Do you, as a matter of course, entertain tutorials --

THE COURT: Sure.

MR. DAVIS: -- in an objective sort of way to sort of demonstrate the science?

THE COURT: Yes, I do. And I should tell you

now -- just simply because this is something you might want to think about, and I certainly will be thinking about it -- I have found when there are experts who respect each other professionally, the kind of experts that you would hope in a case like this to see, who have a difference of opinion but are -- have some degree of professional -- share professional craft values, that it is useful for me to let the experts interact with each other.

I do it in a form that is colloquially referred to as a hot tub. And what it generally means is that

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the two experts, at the end of the expert presentation, end up in the jury box over there. And they get to ask each other questions based on the presentations that have gone on.

What I aspire to in this is the equivalent of circumstances in which I will be the fly on the wall observing the editorial board meeting of a peer review journal in the art in which people will simply be criticizing each other but in a professional fashion, teasing out for me what I -- what they think are the real issues in the case after having listened to it. It doesn't mean that they're tethered to their attorneys, which is precisely why I like it, and that gives them a chance to interact in a fashion that is somewhat outside of the kabuki dance that is frequently performed in testimonial presentations in court.

And so if the experts are of that caliber, you can expect me to ask for that. Sometimes I spring it on people at the last minute, but I'm not doing that here in part because the cat is a little bit out of the bag. There was an article in the current antitrust review about this technique, and references its use in a variety of different settings including the redistricting case or reapportionment case that I sat on. And I'm going to have Mr. Lovett send a copy of it

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to you so you'll know what I'm thinking about. But I welcome any possible way to educate me about this.

The other very valuable dimension to it, from my perspective, is a shared tutorial to the degree the parties can agree on it. You know, it's -- I'm not trying to impose costs, either, on the parties, but something that tells me a little bit about what their shared understanding is to the degree that at least gets me into the technology or the art or the science on which there are points of disagreement. So if you can pull something like that together, that's helpful too.

What I find least helpful is something that is a stylized adversarial process. People -- you know, everybody uses PowerPoint nowadays, and I'm as amenable to that as anything else -- I do want stuff ahead of time so I can try to be hot for it -- but that's another way to do it. But I guess I'd look to the parties first to do it. This is a major expenditure of my time, to take two full days to deal with this. And of course

it's not two full days, it's several days before to try to master the material -- or at least become sufficiently familiar with the material -- to have a view about it. But I guess that's to be continued?

MR. DAVIS: Yes, your Honor. There may be issues regarding the prosecution history of the various patents. Some courts deal with the issue of patent law experts differently than others.

THE COURT: You know, my own view about it is it's an elaborate exercise -- Markman hearings are an elaborate exercise in literary deconstruction of a very odd set of texts, and that's the way I'm supposed to be doing it: for construction. But of course I'll get myself exposed to a variety of different things. I will try to be rigorous in my analysis to exclude from consideration those things that I shouldn't be thinking about; on the other hand, to the degree that somebody is going to say that I can't understand certain terms without looking at the prosecution history, then of course I'll look at the prosecution history.

I'm not really interested in experts that are going to tell me how I should read a word unless they tell me that those skilled in the art read the word that particular way. I'm not going to have artificial rules about the admissibility of testimony at that time. I used to hate it when state district court judges used to admit everything by saying "res gestae," but that's what I'm likely to do here so I can sort it through at some later point rather than making preliminary determinations about the admissibility and that sort of thing.

So I think I know the rules for -- broadly speaking, I know the rules for construction and I'll apply them, but like a judge in a criminal case is exposed to motions to suppress that demonstrate evidence that may not ultimately be used or admissible at trial, I'll nevertheless receive it and try to sort things through that way.

So I think what I would like to do is set a schedule for the -- kind of a joint proposal for how this Markman hearing is going to proceed. I'm assuming that the two days is a reasonable amount of time to do it. And if somebody says, "No, we can do it in one day," that's great. But my initial encounter here, fleshed out by the rhetorical detritus that floated up on my desk most recently, suggests to me that I may need two days.

MR. DAVIS: Based upon what we now know of Breath's position, I would believe two days would be more than adequate.

THE COURT: All right. So now we go back to this schedule kind of thing. Apart from clinging tenaciously to 30 days for the -- before the filing for the responsive briefs, what other aspects of it are problematic for you?

MR. DAVIS: There really weren't, your Honor.

It was just the 30 days as opposed to 14 days.

THE COURT: Okay. All right. Well, you know what? I would like to have it earlier if I could, but I'm not moving off that. And I -- you know, maybe 30 days between the parties' opening briefs and responsive briefs is a little bit too long, and I might squeeze that part of it. I'm not sure that there is any reason why I shouldn't. Ordinarily our briefing schedules are 14 days, but if I pushed that back to January 28th?

MR. DAVIS: That would be the responsive brief?

THE COURT: Right. That seems to me to be okay unless I hear otherwise. All right. So January 28th for that. And the other dates -- I will incorporate the so-called revised dates on the Motion No. 65, which is Breath's motion for extension of discovery deadlines and modification, I'll leave in place. All right?

MR. DAVIS: All right.

THE COURT: Okay. Now, let me go to -- perhaps you'll permit me my own rhetorical excess with respect to the willful infringement briefing. It seems like a kind of formal passive-aggressive pleading. Everybody's satisfied that willful infringement is not in the case in the formal form, but then it just gets the hell briefed out of it, including multiple briefs on Seagate. Willful infringement didn't seem to be a problem even

before Seagate. It's more of a problem now, of course.

Why the view that -- is it just a hostage to fortune to keep the 285 claim in here?

MS. DADIO: Thank you, your Honor. Susan Dadio for Sepracor.

It would be a moot point, your Honor, with the amendment to the complaint keeping in the exceptional case and attorney's fees under 285.

THE COURT: I tend to think so. But what I don't understand is why the briefing would suggest -- I get the poster of the kitty that is hanging there, "Just hang in there." You know, it's hard to imagine a 285 case -- I know there are such cases -- but without willfulness.

MS. DADIO: Your Honor, the Glaxo case has said -- which is the case, in fact -- said there is not technically the willful infringement because it's an artificial act of infringement as opposed to a genuine act, that 285 is still permissible and --

THE COURT: It is. But I mean, do you really think you've got an exceptional case for attorney's fees in this case?

MS. DADIO: We do believe, your Honor, that we have a good case for that. And it's been illustrative, having the depositions that we had recently taken, with

a very particular issue. There is a statutory provision in the Hatch-Waxman that requires a generic filer to certify that the patents that are listed in the Orange

Book that cover the innovator's drug to certify that these patents are non-infringed or invalid, and that that statutory duty of due care is something that both the court in Glaxo and Yamanouchi and other cases have held that there is a strong statutory duty of care, something that the Seagate case did not address.

THE COURT: Well, you know, we're on pleadings, so if somebody wants to plead something, I'm generally ready to let them plead it. I'm not sure what, if any, effect this has on discovery. Anything?

MS. DADIO: We don't believe it should, your Honor.

MR. FIGG: Your Honor, our concern is not that they include a request to the Court that this case be declared exceptional at the end of the case and that there be an award of attorney's fees. We have a similar request in our pleading. We think ours is more meritorious, but that would be for your Honor to decide at some later point.

THE COURT: That's a comparative judgment, not an absolute judgment, that I'll have to make at the end.

MR. FIGG: That's right. And that's our point.

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Our only concern is it seems that both parties have come around to an agreement that willfulness has no place in this case; that a claim for willful infringement cannot be based on the filing of an ANDA and a patent certification even in, in their view, that certification was completely baseless. What we're concerned about is that the request for exceptionality not be another willfulness claim dressed up in exceptionality clothes. And Judge Tauro in the Aventis v. Cobalt case we think got the analysis right -- and he's been cited in many other cases since then -- which says that if it's exceptionality, it has to be based on something beyond willful infringement: litigation misconduct, the filing of meritless papers with the court, those sorts of things. We're not concerned that they make that request; we don't think we're going to do any of those things, but we want it to be clear that willful infringement is not part of this case.

And it does impact on discovery, because the other thing that Judge Tauro made clear is that because willful infringement is not part of the case, and because he dismissed the willful infringement claims in that case, which were virtually identical to what we're dealing with here, he said, "Cobalt will not need to raise reliance on advice of counsel as a defense."

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THE COURT: But is that here?

MR. FIGG: Well, we're concerned that it may be here.

THE COURT: Well, but anxious concerns don't always get resolved anticipatorily by the trial judge. I don't know that there's any advice of counsel involved in this case. That's why I asked the question whether or not there's going to be some sort of discovery

impact. Is there advice of counsel involved?
MR. FIGG: Our view, your Honor, is that the case law that both sides have cited in their briefing on this says that the filing of a completely baseless certification can be part of --
THE COURT: I understand. I think I understand the basic -- is somebody arguing about this now? I mean, apart from telling me about it, is somebody arguing about it?
MR. FIGG: I don't think so.
THE COURT: Are they saying, "We want your patent counsel here"?
MR. FIGG: I'm sorry?
THE COURT: "We want your patent counsel. We want to depose him, we want his documents." Is anybody asking for that?
MR. FIGG: That request has not been made.

MS. DAVIS: I was just going to say --
THE COURT: Is this double-teaming? I was going to say.
MS. DAVIS: I'm sorry. I've been dealing more directly with the discovery issues, and I do know that Sepracor has raised in their objections or response to Breath's document responses and things, when we raised an objection based on the fact that the discovery sought would only go to willfulness, they objected to that. So I don't know where they stand on that issue.
THE COURT: Well, you don't want it, I take it, from your side, from your comparatively meritorious 285.
MR. FIGG: That's correct, your Honor. Our --
THE COURT: Okay. So you don't want it. Just a moment. Just a moment. Is there something out there that you wanted -- you know, am I being blissful in my ignorance of the potential of turning this into a discussion about attorney waiver?
MS. DADIO: It is something that Breath has not invoked as a defense to the exceptional case. But should they invoke reliance upon counsel, then of course we would want to sever.
THE COURT: They said they're not going to do it. They said they're not going to do it, okay?
MS. DADIO: For any purpose whatsoever in the case?
THE COURT: That's my understanding. I'm just hearing -- I'm hearing hypotheticals.
MR. FIGG: You're absolutely correct, your Honor. If willfulness -- if willful infringement is out of the case, there's no reason for us to assert an advice-of-counsel defense. The question of whether we made a pleading or a certification that lacked any basis is an objective test. The Court can look to that and determine whether it was baseless or not without getting into what Breath's counsel advised them to do.
THE COURT: Any dispute about that?
MS. DADIO: A point of understanding, your

Honor. Breath's counsel did file a notice letter to Sepracor which sort of started this whole case, and attached to that was a detailed factual and legal basis. And if I understand correctly -- or I want to make sure that I understand correctly that Mr. Figg is indicating that that notice letter will not be used for any purpose in this case as well, or is he going to assert that that is some form of basis, advice, opinion to support any of his positions, his client's positions?

THE COURT: I really don't know what you're talking about in this sense: Here's a public disclosure. Here's the bases for us to take this

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position. It is, I believe, an objective test. And so if some attorney is in the tank on this, it's a matter of indifference. The question is whether or not that objective statement of the position that justifies their providing notice, I guess, is sustainable. Why do I have to talk to attorneys about that?

MS. DADIO: Because, your Honor, Breath's attorneys signed the notice letter.

THE COURT: All right. So, you know, they signed things.

MS. DADIO: And presumably the detailed factual and legal basis came from the attorneys. And so we --

THE COURT: Well, presumably it came from the client.

MS. DADIO: The legal opinions?

THE COURT: Well, the legal and factual basis is -- the legal basis that I'm going to evaluate in light of the factual -- I am or some fact-finder is going to evaluate.

MS. DADIO: And so they will provide us with a witness who understands that?

THE COURT: I don't know. This going -- tell you what: It stays in, and if you want to fight about this in real time as opposed to science fiction time, you can do it and I'll resolve it. I don't think it's

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going to happen that way, and I don't want to deal with these kinds of speculations about this. If somebody decides they're going to do it, raise it. So maybe this will be raised and maybe it won't. I don't know why it should be, but I don't run your case. This much I know. I'm not going to make a decision about pleadings on the basis of this discussion, apart from saying I'm taking willfulness out of the case and just substitute the amended complaint that Sepracor has here with the language taken out.

MS. DADIO: Would your Honor like for us to resubmit that as a formal document that --

THE COURT: Yes, you should. It will now be the operative pleading in this case.

MS. DADIO: Very well.

MR. FIGG: Your Honor --

THE COURT: I'm sorry.

MR. FIGG: Go ahead, please.

THE COURT: Let me just say if you can do that, say, by Friday.
MS. DADIO: We can do it tomorrow morning, your Honor.
THE COURT: That's fine.
MR. FIGG: My only comment was we received a sur-reply brief from Sepracor late yesterday afternoon,

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and it raised a concern in my mind that I would just like to make sure we're all clear about. Paragraph 24 of the amended complaint says, On information and belief, the ANDA -- I'm paraphrasing here -- in its filing of the ANDA to obtain approval to engage in commercial manufacture of Breath's product, Breath's infringement of the Sepracor patents is and has been and continues to be deliberate.
Now, they took the word "willful" out of that sentence. It used to say "continues to be willful and deliberate," and they took the words "willful and" out. And --
THE COURT: No. I saw that.
MR. FIGG: -- I just want to make sure we're clear that this is simply not another way in their view of saying infringement was willful and --
THE COURT: Well, I'll put it directly. I think after all this briefing it should be clear.
You do not state a claim for willful infringement?
MS. DADIO: That's correct, your Honor.
MR. FIGG: Good enough.
THE COURT: All right. Now, there's all this stuff about document production, and I -- you know, I don't know what this document production is like, but it

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reminds me of the comparison -- between 30,000 pages and 2.77 million pages of document, as if that were meaningful -- of a New Yorker article. Probably about 40 years ago, 50 years ago, maybe, a press critic for the New Yorker, whose name was A.J. Liebling, he used to write a column called The Wayward Press Room. And one of his favorite targets was the publisher of the Chicago Tribune whose name was Colonel Robert McCormick. Colonel McCormick was the person who put the world's greatest newspaper on the map, the Chicago Tribune. In one of his efflorescences Colonel McCormick said that one of the reasons that the Chicago Tribune was the world's greatest newspaper was that if you took the Sunday paper and you weighed it, it was the heaviest newspaper anywhere in the country because of the number of pages. And so Liebling then conducted an evaluation of which was the best borough in New York based on weighing the telephone books from Queens and the Bronx and Manhattan. And so when I see something like this I think of Colonel McCormick.
It's meaningless to me, how many pages there are here; I'm really concerned with how the parties are going to conduct their discovery. And I make this

comment after we've already set our discovery schedule. But as a way of getting into what the discovery disputes

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are that I can help you resolve -- and all of this is in an effort to encourage you to help yourselves; that is, it is not a pleasant experience to come back and deal with these discovery matters here in court because they could be resolved elsewhere.

So let's turn to, I guess, because I think I've dealt with the relevant motions that are really outstanding now; that is, the motion for Judgment No. 63 on the willful infringement and the modification of an extension of discovery deadline. What really needs to be dealt with by me here? You know, it's with great trepidation that I take up your contemplated motions, but perhaps in an effort to relieve you of the burden of further contemplation.

So starting with page 5, are there things that we ought to be talking about here? Is there any reason why some of these documents aren't produced? I mean, apart from the stated reasons.

MS. DAVIS: I don't know if you want to hear from Breath first as to the things that we're concerned about and why we're concerned. And maybe if we could work them out here, that would be great. There are documents that Sepracor is withholding on the ground that they have a confidentiality obligation to the contract manufacturer, the company that actually made

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their product, that -- and the reason it particularly comes to a head here, your Honor, is that we have learned that one of the documents in particular we're concerned about was an attachment to the very memorandum that is part of Sepracor's documentation of the alleged invention that led to one of their patents, the manufacturing process formulation patent at issue.

And there's a question with respect to the conception of that invention and, in fact, whether or not it was Sepracor employees or others at this contract manufacturer who actually conceived of the invention. That's a very important issue for us in the case.

THE COURT: All right. So what's the story about that?

MR. DAVIS: Your Honor, the only thing we ask is that we be ordered to produce it, and we will produce it.

THE COURT: You are and so you will.

MR. DAVIS: Then we will.

THE COURT: Next?

MS. DAVIS: That sounds good.

MR. DAVIS: It is a document, though. She used the plural, but it is a document.

THE COURT: All right. So it's referenced in the memorandum as "document."

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MS. DAVIS: And let me ask, because I don't -- I have no way of knowing what other documents they have

withheld. They have produced some documents from that manufacturer, they have apparently withheld others. You know, the same basis would apply for any documents that they withheld on the basis of this confidentiality?

THE COURT: That's my understanding.

MR. DAVIS: Your Honor, we have these documents. We have sought authorization to release them; the manufacturer has denied us that authorization. We just need the comfort of a court order.

THE COURT: Yes. And if you want a formal court order, you prepare a form of order and I'll sign a form of order.

MR. DAVIS: That's fine.

THE COURT: But I assume that there're in place some forms of protective orders and so on to deal with this.

MR. DAVIS: Yes.

THE COURT: Okay. So that's dealt with.

The second one is expert reports from the Dey litigation. What's the problem with that?

MR. DAVIS: Our problem there was simply that they're asking for an advance peek of our expert opinions when we have a schedule in this case to address

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that issue.

THE COURT: I'm not buying that. You know, if it's been submitted in another litigation, turn it over.

MR. DAVIS: There are some confidentiality issues there that we would have to sort through with regard to Dey confidential information.

MS. DAVIS: With respect to the -- I mean, the reports that deal with the validity and inequitable conduct issues, those -- by definition, those should not contain any Dey confidential information because they have to do with Sepracor's patents and inventions. So that should not be an issue.

MR. DAVIS: Those are not our reports. Our reports would be dealing with the infringement.

THE COURT: So you've got them, so turn them over.

MR. DAVIS: Our reports?

THE COURT: Anything that you've received in the course of the Dey litigation. I don't know why -- just turn the file over. You can maybe charge them for the Xeroxing.

So to the degree that there's some other third-party concerns for confidentiality, I understand that, but I mean for you to work in good faith to resolve that. But I know of no reason why materials

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that are developed in that litigation shouldn't be turned over here in this.

MR. DAVIS: The only real serious concern is our confidentiality obligation vis-a-vis Dey and Dey's materials that may be part of those reports.

THE COURT: I think if you resolve it, or at least approach it in this perspective, my view is that

may give rise to the discovery of relevant material for this case; and that I am directing you to use your best efforts to obtain the information, including the Dey confidential information, in order to achieve that. And if it's necessary for another court to act on that, then I will look to you to get another court to act on it. But my view on the basis of what I now know is that materials in that litigation should be turned over here to save time and save dispute here, unless there's something outstanding that I don't now understand.

MR. DAVIS: Just so you know, your Honor, we have turned over all the materials in that case other than these reports.

THE COURT: That's my understanding. But I believe it was Wilson Pickett who said 99 percent is not good enough?

All right. So privilege issues? What do you want me to do about that.

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MS. DAVIS: I think at the moment -- we fairly recently received the revised privilege log that purported to address some of our issues, and we've just been going through that to make sure we understand. I'm hopeful we can work those issues out among the parties. So we don't have anything with particularity to present for decision at this point, and hopefully we won't get to that point.

THE COURT: Okay. The testimony of Mr. Barberich?

MS. DAVIS: We're still waiting for a date, your Honor, from Mr. Barberich who was the inventor of five of the patents.

MR. DAVIS: We'll be providing them with a date, your Honor. He's been out of the country.

THE COURT: Now it's on the front burner rather than the back burner. Let's get this done.

MR. DAVIS: It will get done.

THE COURT: The motion for summary judgment on the '289 patent. What's going on there? I mean, is that just hopeful or is it -- I don't mean -- I'm sure all of your positions are comparatively well-founded, if that's the term of art today. What are you planning, to file something on January 28th?

MS. DAVIS: Your Honor, what we would be

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planning to file -- one of the issues that I think we may want to address is what the timing of the summary judgment motion should be. And I think that would come up in the context of talking about the trial date. But I know the original proposed stipulation between the parties place the summary judgment motion filing after the Markman decision came down. I think our view is that that's really not necessary and not really compatible with resolving this case expeditiously because that means there's a long period there where nothing's essentially moving forward in the case and then summary judgment motions would be afterwards.

The way we would propose --
THE COURT: What's the main things you've got to do this fall?
MS. DAVIS: Well, between the time that the Markman hearing occurs and the decision comes down, and then if we wait another -- I believe the original proposal had 45 days after that decision for the opening brief of summary judgment, that would stretch things out. And I think what we would propose, and what we have done in a lot of cases typically, is have summary judgment motions -- or file summary judgment motions either concurrently with or during the same general time frame with the Markman briefing, because the summary

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judgment motions -- certainly the summary judgment motions that we contemplate -- can be briefed based on or relating to what the outcome of the claimed construction is. So we can write the brief in a way that explains how it relates to the pending claimed construction issue.
THE COURT: Let me just introduce my concern, which is you don't want to choke me. And so -- and the parties seem to think that they've gotten done everything that they want to do when they bring the wheelbarrow up to the clerk's office and dump it there. I have a somewhat different view. I want to do it in an orderly fashion. I don't -- I have no particular view. I mean, I think I have a -- I should say I have a general view of Markman hearings, which is there's never a right time for a Markman hearing, there's only a tolerable time for it that the parties may feel comfortable with.
I've done it a variety of different ways: I've done it, you know, in conjunction with summary judgment motion, I've done it standalone. All I want is an efficient way that isn't going to stun me into insensibility when I'm confronting piles of paper that people have submitted. And so that's the touchstone for all of this. I want things to move along, too. I don't

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want the parties to be waiting around. On the other hand, you may have to wait around a little bit if there's any complexity to the Markman dispute, so...
Those are all the issues of great generality, is all I can say with respect to it. But you follow along with -- you know, I'm not sure why it was that the '289 got a little three, and then the four remaining ones got all lumped together.
MS. DAVIS: I can explain that, your Honor. The patents in this case really do break down into those two groups. The '289 patent is a patent addressed to the formulation, to the specific aspects of the levalbuterol formulation and the stability of that formulation. And without going into further detail, all the other patents, the '755, '994, '090, '002, '093, all deal with a method of using levalbuterol to treat certain diseases: asthma, chronic asthma, acute asthma. So

they're two entirely different issues.
THE COURT: In your fondest dreams do you plan on having summary judgment motions for all five of those patents contemporaneous with the Markman hearing?
MS. DAVIS: Yes, your Honor. Our view is that under -- really under any claim construction, but certainly our claim construction, those claims are all anticipated by prior art.

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MR. DAVIS: May I, your Honor?
THE COURT: Sure.
MR. DAVIS: We obviously take a different view. There will be competing motions for summary judgment. We plan to file a motion for summary judgment addressing to the issue of infringement. And to the extent that we have a claim construction from your Honor, it makes that stack of paper a lot smaller in terms of -- and that's why we would urge adhering to the 45 days after the Markman hearing -- or 45 days after the Markman determination, which was --
THE COURT: Let me tell you my preliminary view about this. I can be persuaded, but not easily, of an alternative, and that is I'd like to do the claim construction first. That will permit me to have some better knowledge of the art and what's involved here. And, you know, setting 45 days is -- I can set it shorter, but I think you may want to digest what I have to say, and it will be very difficult for me to consume what all that is suggested is going to be offered there without just, you know, kind of getting clocked.
MS. DAVIS: We would ask your Honor -- I can appreciate that, but we would ask if we could use something less than 45 days given that the parties will know, obviously, the basic idea of what they're planning

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to write. Based on the possible claim construction, I don't think it requires a full 45 days of attention to turn the opening briefs around. And if you could give it something shorter than that, we'd prefer that.
THE COURT: All right. So 30 days seems a reasonable amount of time. Thirty days after the Markman determination the parties will have an opportunity to file motions for summary judgment.
Now let me go to the trial period. I would think, and I would try to govern my own allocation of resources and time to permit this to be tried this summer, and I want to understand what the practical impacts are from the parties on that. That would mean that I would try to turn it around in a couple of months maximum, the Markman, and then try to move quickly on to the summary judgment motions and try to make it possible for us to, you know, try the case the end of June, July, August, whatever. Is that a realistic time -- and let me add something else: This is not meant to be a test of manhood or womanhood to say unlike psychiatrists who will not get August off, and if there are competing vacation plans or longstanding plans and all of that,

obviously I will accommodate those. But it's hard enough to get people in for trials during the summer, and so if I've got a big trial that's planned, I'm happy

enough to have it, and the scheduling seems to me to work for that.

MR. DAVIS: My question, your Honor, would have been -- or when you say "summer," are you talking about the early part of the summer or the later part of the summer? We have experts from out of the country that we need to accommodate and --

THE COURT: I'm not really thinking of anything yet. I've got the entire -- right now --

MR. DAVIS: Our preference would be towards the latter part of the summer.

THE COURT: I have no -- nothing really scheduled -- I don't think I have any trials scheduled at this point. I'm looking around for --

MR. DAVIS: Our preference would be August/September, given what we need to do to prepare to try the case and things of that nature.

THE COURT: Unlikely September, more July/August. And how long -- I understand you've got -- this is in its formative stages, but how long a trial do you think it is?

MR. DAVIS: Does your Honor try these on full trial days or --

THE COURT: It feels like it for everybody that's involved, but it's nine to one.

MR. DAVIS: Nine to one?

THE COURT: Yes.

MR. DAVIS: Probably two to three weeks on a nine-to-one schedule.

MS. DAVIS: That sounds in the ballpark from our perspective.

THE COURT: Okay. So now let me back it up another way, which is to say, if you have vacation plans, or want to establish vacation plans -- I'm not asking today, and I also know I'm not the final arbiter in your households for this -- try to figure out what that might be. Because I would be thinking of something July/August, I would think, on this. I'm just trying to get my time frame.

I'll tell you one other thing, which is I've done this -- I did it last year, and I got to the point with the summary judgment motions, I just couldn't finish them in a timely fashion -- I didn't finish them until about a month ago -- and so I established a later schedule. But it's not going to leave my desk until I'm happy with it, or at least not really unhappy with whatever I have. And while I'll try to set it according to a schedule like that, there's a possibility that I'll take a look at these summary judgment motions, or even the Markman, and say, "I need more time." But I'll tell

you as quickly as possible. Right now I would be

talking about some period of time in that July/August time period, and you're the first people to tell me what the off-limit weeks would be, okay?

So you'll talk about that and we'll work our way back on the schedule to deal with that. But assume -- I hate to say that because I always disappoint myself and you -- but assume 45 days for the decision in the Markman matter as kind of an outside, and then another 45 days for the summary judgment. I would set those down promptly once the briefing is completed for them, but it will be something like that. So that will give you some idea. I'm not sure what -- I'm not sure I haven't just pushed us out of the summer already. But you think about a schedule that works for you, and get back to me. And, say, two weeks from now?

MR. DAVIS: Yes, your Honor.

THE COURT: So kind of preliminary status report, recommendation for scheduling and that sort of thing. So that is the 26th we'll have something on that that I could take a look at.

So now let's go to Sepracor's potential motions view.

MR. DAVIS: Your Honor, we have two here that are probably interrelated which we can probably talk

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about at the same time.

THE COURT: Okay.

MR. DAVIS: It's (I) and (3I).

THE COURT: Okay.

MR. DAVIS: The '289 patent has quantitative type of limitations. And we had requested in June of '06 for the -- some samples so that we could test them in the manner in which they've been packaged because, in essence, it's a packaging-type patent. And we have not received samples that are not -- that are -- we've received expired samples. We just got them, as a matter of fact. And we anticipate filing --

THE COURT: Mr. Chinitz, did you think you were going to escape without me making a comment on the record?

MR. CHINITZ: Your Honor, I --

THE COURT: No. No, you don't have to -- there are others in the courtroom who would like to join you. But you're free to go.

MR. CHINITZ: Thank you, your Honor.

MR. DAVIS: Your Honor, it's important to us that we receive samples that are manufactured and packaged in accordance with the directions contained in the ANDA which was filed for purposes of determining the infringement positions. Some of them -- the ANDA, when

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it was originally filed -- comes in packages with the nitrogen flush without. Now they're proceeding along with a nitrogen flush. So we need samples that have a nitrogen flush in the package. And we need them in order to conduct our stability testing in order to determine --

THE COURT: Okay. So what's the --
MS. DAVIS: Well, they have been provided with -- let me backtrack a little bit. The only batch of product that has ever been made was made in December 2004. And that's all that has been made; that's all that we have. When the sample issue was raised -- the first time that I became aware of the sample issue was as a result of a letter from Ms. Dadio in July. And as soon as that came up, I got her a set of samples that we had.
The product was made 50 percent in packages with the nitrogen flush, 50 percent without the nitrogen flush. The client sent me packages that were the same way; i.e., they sent me half with and half without. Since I had gotten both kinds, I sent them both kinds. If they don't want the ones that were done without the nitrogen flush, they don't have to use them. But they have samples both with and without the nitrogen flush.
THE COURT: So is it --

MS. DAVIS: Now they've asked me for some more, and I -- and the woman at the company that has the responsibility over the samples has been out on vacation. She's just come back. And they've asked if we could provide some additional samples with nitrogen flush, and I'm checking on that. I think we may have a few other extras, I just don't know yet. But all of the samples that we have are the same age. So the issue of the age of the sample, which I should add is not really relevant to any of the issues that are raised when you asked me to explain why it is --
THE COURT: If I'm correct, all of the samples are in the same basic state of aging?
MS. DAVIS: Yes, they're all the same age.
THE COURT: And you're going to use your best efforts to get additional nitrogen flush samples?
MS. DAVIS: Yes. To the extent we have extras, we'll give them some more extras.
THE COURT: All right. And that will be done by?
MS. DAVIS: That should be done by the end -- certainly by the end of next week.
THE COURT: Okay. So we'll use the 28th as a drop-dead date that they'll provide you with additional samples along those lines.

MS. DAVIS: The only thing I have to say is that I have not been able to speak to her directly to confirm that we actually have some that we can send without jeopardizing the FDA samples that we have to retain.
THE COURT: I bet they do. Maybe you'll help her find them.
MS. DAVIS: Yes.
THE COURT: Okay?
MS. DAVIS: Okay.
THE COURT: So I think that takes care of those, doesn't it?

MR. DAVIS: Yeah, except that it feeds over to the (3I). This is one, your Honor, that I don't believe is ripe, really, for argument today.
THE COURT: If it's not --
MR. DAVIS: It needs to be briefed.
THE COURT: Yeah. If it's going to be briefed, and if it can't be worked out by the parties.
MR. DAVIS: This one involves what we believe to be some dissolved oxygen tests that were conducted by Breath that have appeared -- or at least traces of which have appeared on their privilege log. And as I'm sure your Honor is aware, although Rule 26 is not an absolute work-product privilege under certain circumstances, these are tests that probably can't be replicated, and

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we would like the opportunity to argue to your Honor that we should be entitled to see these tests and the results of these tests, especially in the context where all they have is expired product. So we would like the opportunity to brief that.
THE COURT: Just briefly, your response?
MR. FIGG: Briefly, your Honor, what this has to do with is an express limitation in the claims of the '289 patent. The '289 patent has a numerical limitation on the amount of oxygen in the product. So for them to meet their burden of proving that Breath infringes that patent, they have to demonstrate that Breath's product meets that limitation.
It's our view, your Honor, to the extent we have retained an expert to advise us on that issue, until such time as we see what their proofs are, we're not -- I don't believe we're required to determine whether that expert is going to be a testifying expert or a non-testifying expert. If they don't meet their burden of proving that we meet that limitation, these -- this will simply be work product of a non-testifying expert that need not ever be produced. If we determine that this is --
THE COURT: You're talking about it as if it was produced in anticipation of litigation; is that right?

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MR. FIGG: It definitely was produced in anticipation of litigation.
THE COURT: Okay. And it hasn't fully been completed at this point, or tested?
MR. FIGG: I'm sorry. What --
THE COURT: It has not been fully completed at this point? The testing has not been fully completed?
MR. FIGG: Well, we don't know what their proofs on this issue will be, and so we don't know whether we need this sort of testimony to meet their infringement arguments or not. They simply have pled generally that we infringed their claim, but we don't know what the bases for those positions are and we don't know whether this will ever be something that Breath will need to rely on.
THE COURT: Okay. Well, I think I can just give

you general outlines. Would you agree this was prepared in anticipation of litigation? I don't think that I'm going to be, at least at the outset, turning it over, ordering it turned over. So you can make whatever motion you want to make about it, but if this is other than in anticipation of the litigation, it's a little bit different for me. But I'm not sure that you need it for your case-in-chief.

MR. DAVIS: Okay. Well, that's why I said I

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think this is not quite ripe.

THE COURT: Well, you work on it but --

MR. DAVIS: But we --

THE COURT: But my general view is to give some fairly substantial scope to the experts to try different things out and do different kinds of testing, and that doesn't necessarily have to be shared unless you can show me in some fashion that it is necessary for your case-in-chief.

MR. DAVIS: That's what we were trying to signal by putting this in here, is that down the road we may be making a motion like that in order to demonstrate or to convince you that the exception to the work-product rule would be -- would have application here.

THE COURT: Well, okay. And trust me on this, this will be the last time I will say it, but don't waste your breath.

MR. DAVIS: Your Honor, with regard to (2I) and I believe (4), they have -- Breath has agreed to present a 30(b)(6) witness on behalf of Cobalt.

THE COURT: Right.

MR. DAVIS: And we believe that we would like the opportunity to take that 30(b)(6) deposition before we address whether or not (2I) and (4) are necessary.

THE COURT: Well, am I correct that -- I'm not

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sure I understand the state of the docket. There are letters rogatory that have been filed -- proposed, right, or they --

MR. DAVIS: We have filed a motion for either a motion to compel or, alternatively, letters rogatory, but a resolution to that was reached by them offering a 30(b)(6) witness for Cobalt.

THE COURT: Okay. So --

MR. DAVIS: After that took place we took the 30(b)(6) witness of Breath and learned some things that we didn't know prior to that which may or may not cause us to revisit the issue of either a motion to compel or letters rogatory. But I guess what I'm saying here is in the interest of efficiency, it may all be mooted by a thorough 30(b)(6) witness from Cobalt, it may not.

MS. DAVIS: We think it will, your Honor, and we had hoped this issue was already resolved, so I hope it is resolved.

THE COURT: Okay. So to be continued, I guess --

MR. DAVIS: Yes.

THE COURT: -- on that.
MS. DAVIS: Yes, your Honor.
THE COURT: All right. And does that cover fine chemicals or not?

MR. DAVIS: Yes, it does.
THE COURT: The rest of the stuff, I guess, is in the works?
MR. DAVIS: Yes. We are reviewing their supplement to interrogatories and really don't have a position as of today, much like they don't, with regard to the privilege issue. We would like to amend the stipulated protective order to add any in-house counsel to the stipulated protective order.
THE COURT: All right. Is there going to be a problem with that?
MS. DAVIS: No. We've already agreed to it, your Honor.
MR. DAVIS: And we've already talked about our proposed summary judgment motions.
THE COURT: All right. Okay. So I guess I've given you the 28th for status filing and for the obligation to turn over certain materials, and then I'll review it from that perspective. And we're holding to the February 18th and 19th?
MR. ROSE: Your Honor, I thought the Court said February --
THE COURT: I'm sorry. The 21st and 22nd for the --
MR. ROSE: I thought the Court initially said

September 26th for the status portion --
THE COURT: Oh, did I?
MR. ROSE: I think you just said the 28th.
THE COURT: It's the 26th. Right. Absolutely. Okay. Anything else here?
MR. FIGG: No, your Honor.
THE COURT: Okay. So I think you have some sense of my views here about how to make the case move along, which is as efficiently as possible without distractions, okay?
All right. We'll be in recess.
MS. DAVIS: Thank you, your Honor.
MR. FIGG: Thank you, your Honor.
THE CLERK: All rise.
(The proceedings adjourned at 4:35 p.m.)

C E R T I F I C A T E

I, Marcia G. Patrisso, RPR, CRR, Official Reporter of the United States District Court, do hereby certify that the foregoing transcript constitutes, to the best of my skill and ability, a true and accurate transcription of my stenotype notes taken in the matter of Civil Action No. 06-10043-DPW, Sepracor Inc. v. Breath Limited.

/s/ Marcia G. Patrisso_____
MARCIA G. PATRISSO, RPR, CRR
Official Court Reporter

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Docket Text:
Electronic Clerk's Notes for proceedings held before Judge Douglas P. Woodlock : Status Conference held on 9/12/2007: Atty's Dadio, W. Davis and Beaufort for the Pltff, Atty's Chinitz, S. Davis, Figg and Rose for the Deft. Court addresses the parties re: abundance of filings in this case; Pltff does not object to extensions of scheduling order; parties give oral arguements re: motion for extensions; Court GRANTS [65] Motion for Extension of Time to Complete Discovery with the amendment that responses to briefs on claim construction are due 1/28/08. Court will issue a revised Order; Court addresses the parties re: procedures pertaining to the Markman Hearing set for 2/21/08 @ 2/22/08. Court Orders the parties to file a joint memo re: the Markman Hearing; Parties are to file a Preliminary Joint Status Report re: proposed Jury Trial dates; Court GRANTS [63] Motion for Judgment on the Pleadings to the extent that the Pltff will file an Amended Complaint by 9/13/07. Court Orders the Pltff to provide the Deft with (1) document relating to invention of '289 patent that is being withheld from production on the grounds of third-party confidentiality; (2) expert reports from Dey litigation and make a good faith effort to resolve third-party confidentiality issues; Court Orders the Pltff to provide dates onwhich Mr. Barberich is available for deposition; Court further grants the Pltff's request and Order's dispositive motions and supporting memoranda filed within 30 days of the Court's final claim construction ruling. (Court Reporter Marcia Patrisso) (Lovett, Jarrett)

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